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Executive Board of the United Nations Development Programme and of the United Nations Population Fund

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Gender in UNDP

Gender action plan, 2006-2007

1. The international development agenda includes 'gender equality and women's empowerment' as means to achieve all the Millennium Development Goals (MDGs), and as a goal in its own right (MDG-3). The challenge is to translate this commitment into action.

2. UNDP's gender policy is based on a two-pronged approach to achieving gender equality:

(a) *Integrating a gender perspective* into all policies and programmes across each core priority of UNDP to ensure that men and women fully participate in and benefit from development outcomes.

(b) *Investing dedicated resources* in specific interventions that empower women, reduce their vulnerability, build their leadership, provide them with access to resources, and protect their human rights.

3. The gender action plan for 2006-2007 is designed to strengthen UNDP capacities at all levels and to enhance its delivery of gender-responsive policies and programmes, in a systematic, visible and measurable way. Mainstreaming gender is a strategy for achieving this overall objective with greater accountability for results.

4. The Executive Board endorsed the corporate gender strategy of UNDP and the interim action plan for 2005. The Board requested a revised gender action plan for 2006-2007 based on the recommendations of the independent evaluation report on gender in UNDP.

5. The management response to the evaluation report and a report on progress made in 2005 to implement the gender action plan are the subject of separate documents. It will be noted that 45 country offices, four regional service centres/subregional resource facilities (SURFs) and five headquarters units are engaged in building their staff and management capacities; reviewing their portfolio of programmes and resource allocation and developing a gender mainstreaming

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contribution of from the Government of the Netherlands, will continue with supplementary core funds.

6. The attached gender action plan is a two-year plan designed around four goals. It responds to the main areas of concern identified by the evaluation report:

Goal 1: Commitment and accountability at all levels

Goal 2: Capacities: gender training, knowledge sharing and networking

Goal 3: Communication and visibility for good practices

Goal 4: Core and non-core resources aligned with commitments

7. Renewed efforts to implement the MDGs at the country level and further decentralize support to the regional service centres, offer real opportunities to build joint UNDP/United Nations Development Fund for Women (UNIFEM) 'regional knowledge hubs' within regional service centres to support country offices and United Nations country teams (UNCTs).

8. UNDP will scale up UNIFEM innovations; build on its knowledge and expertise to strengthen the capacity of UNDP to address the feminization of poverty and HIV/AIDS; the vulnerability of women and girls to crisis and to violations of their rights; their exclusion from decision-making; and their lack of access to resources and energy services. These are all core UNDP priorities, and each has a gender dimension that UNDP itself needs to address.

9. The results-based management and performance management systems will reflect the priority accorded to these issues. Institutional 'scorecards' will help measure progress and account for results through the multi-year funding framework (MYFF) as well as track investments through the Atlas system.

10. Corporate responsibility has been established at the highest level. The Executive Director of UNIFEM and the Director of the Bureau for Development Policy (BDP) jointly chair the UNDP Senior Gender Task Force, and both are members of the Senior Management Team led by the Administrator.

11. UNDP is making significant efforts to transform its internal capacities and provide gender analysis at the pre-planning stages; policy advisory services; knowledge products; and services that promote gender equality and women's empowerment. Gender mainstreaming is a strategy that helps UNDP systematize the integration of a gender perspective in innovative ways that have inspired development partners.

12. UNDP is in a unique position to take leadership and engage the entire United Nations system in a coordinated, effective country-level implementation of the MDGs that empowers women and bridges gender gaps. It plays a leadership role in the United Nations Development Group (UNDG) and the United Nations Resident Coordinator system. It has a global network of country offices and regional service centres and a close association with UNIFEM. The next two years will be critical to firmly establishing UNDP capacities and leadership in promoting gender equality and women's empowerment.

GOAL 1. Commitment: leadership commitment and performance indicators				Scorecard 1, 3, 7, 10, 12
Outcomes	**Outputs**	**Results indicators: year 1**	**Results indicators: year 2**	**Responsible parties**
Gender equality and women's empowerment fully recognized and supported as a core objective of UNDP and as central to the achievement of the MDGs Gender equality and women's empowerment integrated in all policies and programmes to enhance development effectiveness	Administrator's vision statement on gender as core UNDP business 'Gender compact' concluded between Administrator and Bureau heads and between Regional Bureau heads and Resident Representatives/ Resident Coordinators on specific annual programmatic and management deliverables UNDP achievements and good practices in gender mainstreaming showcased	Annual Administrator awards for outstanding achievement established and presented at the Global Staff Forum Corporate policy documents and statements include UNDP commitment to gender equality Annual report on gender in UNDP programme and management performance institutionalized Administrator's advisory group on gender established Performance monitored at institutional and management levels: results in multi-year funding framework (MYFF) reports and results and competency assessments of managers and staff Gender on the agenda of senior management strategic planning and policy meetings and Resident Representatives'/Resident Coordinators' cluster meetings **Roll-out of the gender score card: baseline and benchmarks established**	Champions and centres of excellence identified in each region Incentive system in place Corporate performance reviewed and scored, and new targets established Multi-year gender mainstreaming strategy and action plan developed for next MYFF period Allocation for gender mainstreaming in the next biennium budget	Office of the Administrator Office of Human Resources (OHR) BDP BDP/gender unit Bureau of Management (BOM) Senior managers in UNDP Resident Coordinators/Resident Representatives Regional Bureaux Learning Resources Centre (LRC)/BDP Communications Office of the Administrator (COA)

	Gender mainstreaming strategy implemented in country offices, regional centres and headquarters units using innovative approaches	Systematic gender review of policy and programme documents institutionalized Gender analysis becomes a pre-condition for programme approval by all project appraisal committees Support to implementation of country office gender mainstreaming strategy extended to 50 country offices and all regional centres	UNDP champions gender mainstreaming as an effective strategy Support to implementation of country office gender mainstreaming strategy extended to 37 country offices.	Practice Directors Bureau Directors All managers Operations Support Group (OSG) BDP gender unit
UNDP accountable for programme and management performance in promoting gender equality and women's empowerment and the impact on development effectiveness	Gender mainstreaming indicators developed and implemented for tracking and measuring progress	Specific performance indicators established based on effective compliance with the 'gender driver' in the MYFF Clear reporting guidelines on the 'gender driver' in MYFF developed and implemented Consistent progress recorded in line with the corporate score card and the Triennial Comprehensive Policy Review (TCPR) Monitoring results from the MYFF database for continued reporting Gender mainstreaming reflected in all service lines under the 'gender driver', with identifiable action and increased resources	High performance on the 'gender driver' reported in MYFF report Assess indicators to measure (a) programme performance (b) impact of gender mainstreaming on development effectiveness Results in TCPR demonstrate a high level of institutional performance	OSG BDP

GOAL 2. Capacities: gender training, knowledge sharing and networking				Scorecard 4
Outcomes	**Outputs**	**Results indicators: year 1**	**Results indicators: year 2**	**Responsible parties**
In-house gender expertise available to support gender mainstreaming in all core priorities Management and staff capacities enhanced in gender mainstreaming at all levels	Gender focal points system institutionalized as a core function in all country offices and Bureaux with main responsibility to monitor and track performance Strong network of gender experts established, in partnership with UNIFEM Gender training integrated into all staff and management training programmes: gender mainstreaming and women's empowerment are responsibilities of all.	All staff complete mandatory gender training course (1,000) Series of tailored gender training for managers and staff (continued) New Virtual Development Academy module on gender rolled out UNDP gender learning 'Institute@' established as annual event Training module developed on the role of men and mainstreaming for results	Thematic gender experts available in all core practices and in regional centers Series of tailored gender training for managers and staff (completed) Regular face-to-face gender training systematized (Regional cluster meetings) VDA gender course completed by 100+mid-management Qualitative assessment of all gender training programmes	LRC Resident Representatives/ Resident Coordinators Senior managers Directors of regional centres BDP gender unit
The Resident Coordinator system and UNCT exercise effective coordination on gender in line with TCPR	Gender mainstreamed in United Nations Development Assistance Frameworks (UNDAFs), Common Country Assessments (CCAs), MDGs, Poverty Reduction Strategy Papers (PRSPs) and national human development reports (NHDRs).	UNCT/gender theme groups established and trained in additional 50 countries Country gender assessment jointly produced by the World Bank and UNCTs in pilot countries United Nations/World Bank common gender assessment in place in additional countries	Additional 37 UNCT gender theme groups established and trained United Nations joint programmes use common set of data on gender gaps in countries	Resident Representatives/ Resident Coordinators UNDG task force on gender BDP gender unit (backstopping)

Gender mainstreaming in core practices: UNDP recognized for its leadership in engaging men and women in (a) reducing feminized poverty; (b) women's vulnerability to HIV/AIDS; (c) conflict; (d) promoting women's rights and equal role in democratic governance; (e) access to natural resources and energy services	Gender equality mainstreamed in all UNDP programmes and in MDG implementation (scaled-up responses on MDGs where gender mainstreaming/women's empowerment will feature as one of the main components)	High reliance on the 'gender driver' in the next MYFF report All programmes cleared for gender responsiveness as a precondition for approval Sex-disaggregated data and gender analysis integrated into planning, with specific outcomes, activities and investment for bridging gender gaps A gender lens integrated into all MDG processes: reporting, advocacy and capacity development Gender mainstreaming integrated into all country programmes and other business processes [1] Gender analysis built into the programming manual MDG monitoring to flag disparities between men and women, identify gender impact and ensure gender monitoring of all targets	Increased gender mainstreaming reporting all core practices, Regional Bureaux and country office programmes Gender analysis mainstreamed into all country office work and inter-agency processes (CCA/UNDAFs, PRSPs, MDGs) MDG implementation 'engendered'	Practice Directors Bureau Directors Resident Representatives/ Resident Coordinators Directors of regional centres BDP gender unit (backstopping)

[1] Including programming manuals, *UNDP User Guide*, MDG guidelines, and other relevant guidelines.

Goal 3. Communication and visibility				
Outcomes	**Outputs**	**Results indicators: year 1**	**Results indicators: year 2**	**Responsible parties**
Knowledge products and best practices in gender mainstreaming packaged and shared across regions	Gender knowledge platforms established in four regional centres/SURFs (Bratislava, Colombo, Beirut, Panama and El Salvador) to provide expertise to country offices	'Gender mainstreaming workspace' established in the knowledge network system Human Development Reports (HDRs) and NHDRs introduce updated 'gender development indicators' and 'gender empowerment measures'	Compendium of best practices shared within the United Nations system on "how to mainstream gender" Web of Information for Development (WIDE) roster updated and increasingly used by UNDG and other United Nations entities Gender equality and women's rights-based approach integrated into all HDRs – global, regional, and national	BDP knowledge network BDP knowledge management BDP/ gender unit Regional service centres/SURFs) HDR Office
	Innovative gender main-streaming initiatives and processes documented and packaged into knowledge products	Consolidated report on UNDP gender trust fund achievements produced	Institutional transformation: gender mainstreaming experience of UNDP documented and shared as best practice	BDP knowledge network BDP gender unit COA
GOAL 4. Core and non-core financial resources aligned with policy commitments				**Scorecard 8, 9**
Outcomes	**Outputs**	**Results indicators: year 1**	**Results indicators: year 2**	**Responsible parties**
Gender mainstreaming and gender programming fully resourced	Increased UNDP core resources for gender mainstreaming and programming Financial commitment aligned with policy commitments by all units	Increased resources for gender programming at country, regional and global levels. Special allocation from core to match non-core thematic trust fund (TTF) funds for gender mainstreaming Programme resources allocated for gender mainstreaming by each Bureau and core practice Incremental funding targets for gender programmes within each	All country offices and regional bureau increase budgets for mainstreaming gender equality and women's empowerment Allocation for gender mainstreaming in the next biennium budget	BOM Regional Bureaux/ Regional Bureau Directors Resident Representatives/ Resident Coordinators

	Non-core resources mobilized for gender programming	Additional donor funding mobilized through the gender TTF Agreements with other donors made, including mobilizing and allocating resources to strengthen the gender components of the integrated package. Incremental funding targets for gender programmes within each TTF	Increase in donor funding for gender programmes Core practice TTFs increase their funding target for gender programmes	BDP
	Atlas-based system in place for tracking core and non-core investments in gender equality and women's empowerment programmes	Atlas marker permits systematic tracking of gender-related investments in UNDP Country case studies conducted	Assess effectiveness of Atlas tracking system of specific and integrated funds invested in gender equality and women's empowerment	BOM BDP gender unit

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United Nations Capital Development Fund

UNCDF budgeting and decision-making processes

Summary

In its decision 2005/29 of 23 June 2005, the Executive Board welcomed the UNCDF business plan, 2005-2007, and reiterated its call to the Administrator to appoint, as soon as possible, a new Executive Secretary for UNCDF. Further, the Board requested UNCDF to report at the first session of 2006 "in an appropriate manner on its budgeting and programming decision-making processes". This report has been prepared in response to that request.

A new Executive Secretary for UNCDF was appointed on August 1, 2005. Since that appointment, UNCDF has taken initial steps towards (a) a strategic review of the UNCDF business plan and programmes; (b) the development of a comprehensive business development and resource mobilization plan; (c) realignment of the UNCDF organizational structure to increase decentralization to the regional and country levels; (d) the establishment of a strong and well-defined strategic, operational, and financial partnership with UNDP; and (e) the clarification of budgeting priorities and constraints. While much work remains to be done in each of these areas, this report provides an update of progress through October 30, 2005.

Elements of a decision

In view of the foregoing, the Executive Board may wish to (a) welcome the new Executive Secretary; (b) note the progress that UNCDF has made implementing the business plan; (c) encourage UNCDF to continue its strategic review of the business plan and complete its detailed investment plan for the 2006-2007 period; (d) request the Executive Secretary to report to the Board at the June session of the Board on the status of the strategic review and implementation of the business plan, including in particular the implementation of the business development strategy; the managing-for-results strategy; the organizational structure, staffing arrangements and budgetary arrangements set forth therein; (e) request that the Administrator work closely with the Executive Secretary to execute a memorandum of understanding between the two organizations setting forth the key elements of their strategic, operational, and financial partnership, and (f) reiterate its call upon donor countries and other countries in a position to do so to provide and sustain additional funding support for UNCDF programmes and activities in the least developed countries (LDCs).

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Introduction

1. The UNCDF business plan 2005-2007 established UNCDF as "an integral part of the wider United Nations and UNDP efforts in support of the Millennium Development Goals (MDGs)". It sought to position UNCDF "squarely at the forefront of the international development agenda as a catalytic agent for investing in development and piloting sustainable approaches that can be leveraged for policy reform and scaled up to make a significant impact on the MDGs in the LDCs". The business plan also sought to "capitalize on, and optimize, the established, successful partnership between UNCDF and UNDP to maximize the value that joint UNDP/UNCDF programmes deliver to the LDCs".

2. The business plan set forth two specific niches for UNCDF activities. The first was in "local development", specifically in "piloting models for sustainable, decentralized solutions to the delivery of basic socio-economic infrastructure and services, particularly in the poorer rural areas ...". The second niche was in "building inclusive financial sectors". That niche was defined as including "the start-up and emerging phases of microfinance sector development" and focusing on building the "institutional capacity and capital base of [microfinance institutions (MFIs)] so they become fully self-sustaining". For each of these niches, the business plan established the comparative advantages of UNCDF in relation to other service providers.

3. With regard to specific objectives, the business plan sought to expand UNCDF support in local development from 25 to 40 LDCs in the next five years and to increase its average investment size to at least $5 million per project. In the microfinance niche, the Business Plan proposed expanding UNCDF support to at least 25 LDCs by 2010 and providing capacity-building and capital support to at least 50 MFIs with an active client base of more than 5 million clients.

I. Initial strategic review of UNCDF business plan and programmes

4. An initial strategic review of the UNCDF business plan and programmes suggests that the niches in which UNCDF operates are viable and that UNCDF has significant comparative advantages in each niche. It is clear from a country-by-country review of current UNCDF programmes, and from its 'pipeline' of prospective programmes, that the products and services that UNCDF provides are in great demand and of considerable benefit to the LDCs.

5. The proposed investment plan for 2005-2007, which is currently under preparation, will provide for a growth of the total UNCDF investment portfolio from $125 million in 2005 to more than $200 million in 2007 and an increase in total LDC coverage from 28 LDCs in 2005 to 35 in 2007. Prior to approval, each individual investment proposal will be screened based on clear investment criteria, including strategic importance within the overall framework package of United Nations interventions in a country and the capacity to attract additional non-core and parallel resources from public and private investors.

6. The strategic review clearly demonstrated that UNCDF products and services are squarely aligned with the Brussels Programme of Action for the LDCs, with the MDGs, and with UNDP practice areas and service lines. Furthermore, within the United Nations and UNDP programmatic families, the UNCDF investment mandate and exclusive focus on the LDCs are unique, and provide for a singular contribution to poverty reduction and good governance objectives, among others.

7. The initial strategic review suggested four areas for additional consideration and analysis.

8. First, the local development and microfinance niches evolved within UNCDF as essentially separate activities. This separation arose largely for historical and institutional reasons. Communication and cooperation between these programme areas was limited, and joint or complementary programming was not institutionalized. As part of the ongoing expansion plans, UNCDF will explore the prospects for a stronger, more systematic collaboration among these investment activities on the ground, building on current pilots in Senegal and Benin. Such an approach would provide a more integrated approach to local development. It should also result in operational, managerial and financial efficiency gains, and increased effectiveness. Most important, it should provide the LDCs with a more comprehensive and responsive set of products and services from UNCDF that would involve investment along an integrated continuum focused on long-term national and local capital development.

9. Second, the prospects for extending UNCDF local development programmes more deeply into local economic development activities should be evaluated. The strong relationships between UNCDF and national and local governments in the LDCs; its ability to build upon and extend its local development programme and local development fund frameworks and methodologies; its focus on building inclusive financial sectors and enhanced access to financial services; and its support for emerging MFIs; all suggest that UNCDF could make a meaningful contribution to capital formation and broader economic development at the local level in the LDCs. This would require the development of new investment approaches, programmes and instruments for UNCDF, particularly as they may call for more of an enterprise and market orientation and stronger engagement and partnership with the private sector and civil society. In response to the demand of specific LDCs for UNCDF investments in this area, UNCDF will develop and pilot a number of local economic development programmes in 2006.

10. Third, UNCDF is in the initial stages of assisting various LDCs in the building of inclusive financial sectors. This financial sector approach is considerably different from the historical UNCDF approach to making individual investments in promising MFIs. As this approach is relatively new, UNCDF will need to develop, monitor, and evaluate it carefully. This sector methodology holds considerable promise to increase access to financial services dramatically among large numbers of poor people. Accordingly, UNCDF will make financial sector investments the highest priority in its microfinance practice and will focus its efforts on the LDCs in Sub-Saharan Africa. In Africa, UNCDF will also actively promote a strategic partnership of the key United Nations organizations and other development institutions around a broad initiative for financial inclusion.

11. Fourth, about half of the countries in which UNCDF is currently working are post-conflict countries. In these countries, repairing small-scale pro-poor infrastructure, strengthening service delivery and providing credit for recovery are priorities for reconstruction. In addition, strengthening local governments, building participatory and decentralized institutions and establishing inclusive financial sectors are critical for the peacebuilding process. Since UNCDF can make investments and provide distinctive capacity-building contributions in each of these areas, it should explore ways of working more consistently and more deeply in conflict and post-conflict countries and of working more closely, and in a more integrated fashion, with the UNDP Bureau for Crisis Prevention and Recovery and the wider United Nations family, on the transition from conflict to stability and development.

12. UNCDF has begun to evaluate the prospects for elaborating each of these programmatic areas. Each is consistent with the business plan and with the UNCDF mandate, experience, and capabilities. Each could reinforce the contribution of UNCDF to poverty reduction and the achievement of the MDGs within the LDCs. UNCDF will work closely with the relevant UNDP units and instrumentalities as analysis proceeds and will be able to report to the Executive Board more fully at its June 2006 session. The evolution of these issues will also inform the UNCDF programming and funding framework for 2008-2011, which will be harmonized with the new UNDP multi-year funding framework (MYFF).

II Business development and resource mobilization

13. The business plan indicated that UNCDF would develop a "comprehensive" business development strategy" during 2005. This strategy was to encompass "interlinked strategies for partnerships, branding and communications, and resource mobilization". It was to be based primarily on certain "high-profile opportunities" that would increase awareness of UNCDF; strong political support for UNCDF among the LDCs; increased donor interest in co-financing and providing non-core resources; and partnership with UNDP in resource mobilization.

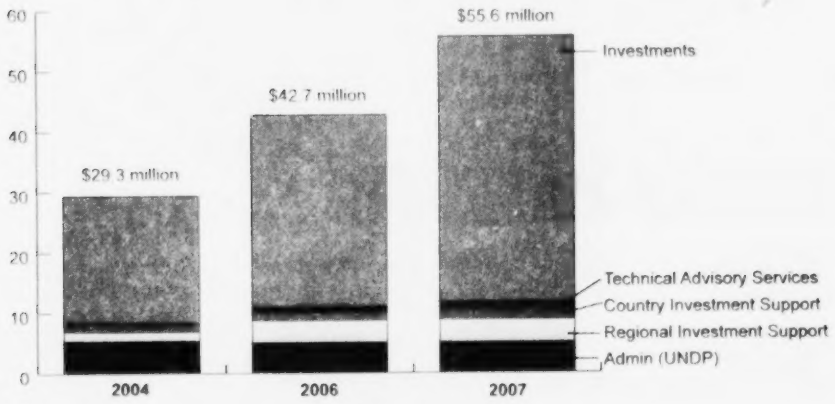
14. UNCDF is in the early stages of articulating and implementing its business development strategy. Initial meetings have been held with representatives of various donor and prospective donor countries. Visits to several donor and prospective donor capitals will take place in last quarter of 2005. Initial meetings with various bilateral and multilateral agencies have occurred, and preliminary research has been conducted identifying certain foundations that may be interested in UNCDF activities. Moreover, UNCDF has been featured prominently in the activities of the International Year of Microcredit (2005) and has gained considerable exposure and recognition as a result.

15. Much work remains to be done to mobilize sufficient financial resources to allow UNCDF to meet the goals set forth in the business plan. Table 1, below, provides a summary of the current UNCDF growth and expansion plan, which is generally aligned with business plan targets. Figure 1, opposite, sets forth the budget forecast for expenditures required to accomplish the growth and expansion plan. The budget forecast, derived from the investment plan, suggests that a minimum of $37 million in 2006 and $49 million in 2007 must be mobilized for programming, over and above the $5 million provided by UNDP for administrative costs through the 2006-2007 biennium budget. These amounts consist of core and non-core resources. Of these amounts, roughly $18 million has been committed for 2006 and $7 million has been committed for 2007. As a result, the resource mobilization challenge for UNCDF remains considerable.

Table 1. Growth and expansion plan

	2006	2007	2008-10
Total annual programme expenditures	$36.7m	$49.4m	$54.2m
Local development	$27.5m	$32.8m	$33.0m
Microfinance	$9.2m	$16.6m	$21.2m
Total number of LDCs	32	35	45
Local development	28	31	40
Microfinance	11	16	25

Figure 1. Budget forecast, 2006-2007: expenditures



16. Key elements of the UNCDF business development and resource mobilization plan will be to broaden and diversify the donor base; attract additional development partner funding; seek long-term, predictable funding from donors and partners; assure local government and MFI funding participation in all programmes; develop one or two large thematic or regional programmes for funding (such as 'local economic development in the LDCs' or 'building inclusive financial sectors in Africa"); and work closely with UNDP at the headquarters, regional and country levels to strengthen partnerships and mobilize resources.

17. UNCDF has initiated the search for a business development adviser. This would be a new position and an important part of the senior management team. It is expected that the post will be filled during the last quarter of 2005, and that a formal business development and resource mobilization strategy will be developed during first quarter of 2006. UNCDF expects to include a summary of the strategy in its report to the Executive Board at its annual session 2006.

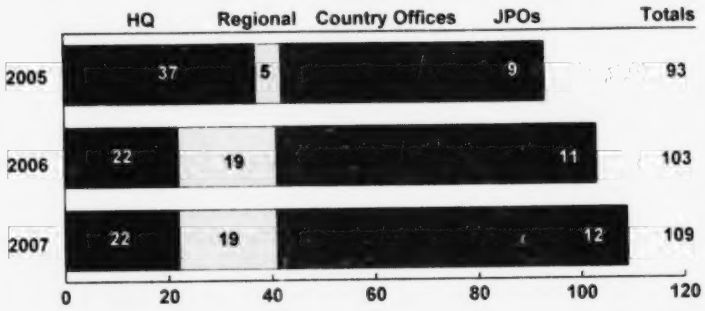
18. Under any circumstances, resource mobilization will be the most important challenge and constraint facing UNCDF during the 2006-2007 biennium. Accordingly, UNCDF will seek to establish close resource mobilization partnerships with the Bureau of Resources and Strategic Partnerships and the Bureau for Crisis Prevention and Recovery of UNDP, with the UNDP regional bureaux, with the Resident Representatives of UNDP country offices, and with other United Nations and UNDP entities as appropriate. In addition, it is anticipated that UNCDF will become an important part of the 'integrated package of services' that UNDP is developing, so that UNCDF products and services can be marketed and funded together with other UNDP programmes.

III. Organization and management structure

19. The business plan foresees a significant expansion of UNCDF presence in the LDCs. In addition, $5 million of UNCDF administrative costs have been mainstreamed into the UNDP biennium budget for 2006-2007. In view of these and other factors, UNCDF began a restructuring process in August 2005 that decentralizes its operations to the regional and country levels and significantly reduces its headquarters staff. Figure 2, on page 6, demonstrates this restructuring and sets forth the growth of UNCDF regional and country office

personnel (excluding junior professional officers) from 47 in 2005 to 75 in 2007, with more than 80 per cent of the increase in numbers of professional staff. Headquarters staff is reduced from 37 to 22 during the same period.

Figure 2: Impact of restructuring on UNCDF workforce composition



20. The restructuring has been designed to bring UNCDF closer to the LDCs in the field; to mirror the regionalization trends in UNDP and the United Nations system at large; and to reduce overhead costs. With more professional staff on the ground in more LDCs to ensure a more cost-effective service delivery system, resource mobilization at the regional and country levels is expected to improve. UNCDF field staff will be co-located with UNDP within country offices and regional service centres, enhancing efficiency, prospects for joint programming and resource mobilization, knowledge sharing, and opportunities for the coordination, simplification and harmonization of service delivery.

21. The restructuring at headquarters is largely completed, although seven positions remain to be filled. The most important among these are the posts of business development adviser and operations adviser, both of which are newly created positions critical to the successful implementation of the UNCDF restructuring and business plan. It is anticipated that the posts will be filled by the end of 2005. Similarly, a local development adviser post, currently vacant, should be filled by the end of 2005.

22. The alignment of UNCDF regional and country presence with the business plan began in October 2005 and is expected to be completed by 30 June 2006. Progress on the restructuring and expansion plans discussed above will be presented in the report to the Executive Board at its annual session 2006, together with the associated financing picture.

IV. Partnership with UNDP

23. The business plan acknowledged the importance to UNCDF of a "strong, well-defined partnership with UNDP...". Such a partnership would enable UNDP and UNCDF to "systematically exploit opportunities for enhanced efficiency and effectiveness within the United Nations system in line with the broader simplification and harmonization agenda and process of the United Nations reform". In that context, the business plan noted the programmatic alignment of UNCDF with the UNDP MYFF, 2004-2007, specifically with respect to its local poverty initiatives – including the microfinance, private sector development, and local governance service lines.

24. For UNCDF, clarifying, coordinating, simplifying, and harmonizing roles and relationships with UNDP is a top priority. UNDP is the most important partner of UNCDF, and it is committed to working closely and in a comprehensive manner with UNDP. In particular, UNCDF is seeking joint programming opportunities with UNDP and expects to participate fully in the development of the UNDP 'integrated package of services'. Similarly, UNCDF has suggested developing specialized products and services in conjunction with UNDP for utilization in conflict and post-conflict countries. UNCDF also expects to collaborate and cooperate with UNDP in resource mobilization and in the areas of South-South initiatives, public-private sector partnerships in the LDCs, and the involvement of the private sector in local economic development and the building of inclusive financial sectors.

25. It will take time to define and establish these critical areas for collaboration and partnership between UNCDF and UNDP. It is not yet clear that all of them can or should be operationalized, or in what time frames. UNCDF will continue to pursue them with UNDP during the coming months, reporting developments to the Executive Board on a regular basis.